



NATIONAL POTATO COUNCIL

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Docket Clerk (No. FV06-1290-1 PR)
Fruit and Vegetable Programs
Agricultural Marketing Service
United States Department of Agriculture
1400 Independence Avenue SW, Stop 0243
Washington, DC 20250-0243

Dear Sir or Madam:

The NPC is the only trade association representing commercial growers in 50 states. Our growers produce both seed potatoes and potatoes for consumption in a variety of forms. Annual production is estimated at 437,888,000 cwt. with a farm value of \$3.2 billion. Total value is substantially increased through processing. The potato crop clearly has a positive impact on the U.S. economy.

On behalf of our members who produce more than 95 per cent of the potatoes in the United States we would like to provide the following comments on the Specialty Crop Block Grant Program (SCBGP). We believe that if appropriately implemented the SCBGP can effectively target the resource needs of local, regional and multi-state efforts to improve the competitiveness of the potato industry.

The final regulations promulgated by USDA must provide the states with the latitude to provide a broad range of support for projects that enhance the competitiveness of specialty crops while establishing safeguards that ensure program funding will go directly to key stakeholders with a demonstrated track record of addressing industry needs and will be distributed with some regard to addressing crops that currently have significant production within the state as well as niche or developing crops.

Base Block Grant Funding – NPC recommends that USDA should require each state to have an approved application prior to the allocation of the \$100,000 base funding for the block grant program. In addition any funding in excess of the \$100,000 base funding level should be awarded to specific specialty crop groups in proportion to their production value relative to other specialty crops in the state.

Competitiveness – NPC supports the general language offered by USDA to define those areas that can increase the competitiveness of specialty crops. Specifically, for potato projects which improve the quality and consumer relevance of marketing activities, encourage the development of new products, improve the efficiency of shipping and handling, reduce costs and improve the timeliness of transportation, disseminate the potato nutrition message, develop production

technologies to address pest concerns in international trade, support reverse trade missions and other activities that expand exports and conduct survey and other evaluations to facilitate exports.

Measurements – NPC supports measurement tools for evaluating project quality and performance that acknowledge the value of projects that produce immediate improvements in product movement as well as projects that create long term improvements in infrastructure.

Fresh Priority – Fruits and vegetables are consumed in both fresh and processed forms. Consumer tastes and preferences determine the product mix that is made available to the public. The regulations for SCBGP should not indicate a preference for one form of the product over the other. The final rule should not provide a preference for fresh product.

Multi-State Projects – NPC supports allowing multi-state or regional projects when the outcome of the project is enhanced and the efficiency of project delivery is improved by coordination between multi-state or regional cooperation.

Project length – NPC supports the proposal to allow for projects to carry-over for 3 years and requests that USDA consider approving projects that are designed for up to 3 years in length.

AMS Administration of State Plans – NPC recommends that AMS conduct oversight of the state plans by utilizing the reporting, oversight, and audit responsibilities required under the law and the proposed rule. This should be sufficient to determine whether the states properly implemented their proposals and that the results generally met the standard of “enhancing the competitiveness of specialty crops” in the state. AMS should require each state to submit a proposal showing how they will administer the grants and adequately address key issues such as the project selection process. Finally, AMS should allow states adequate flexibility and discretion in establishing granting processes and selecting projects that will enhance the competitiveness of specialty crops.

We look forward to working with USDA to implement the SCBGP in a manner that assists the potato industry in improving the competitiveness of our products.

Sincerely,

A handwritten signature in black ink, appearing to read "John Keeling". The signature is fluid and cursive, with the first name "John" and last name "Keeling" clearly distinguishable.

John Keeling
Executive Vice President and CEO